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OF COUNSEL
URBAN A. LESTER

19036

OCT 31 1994

October 31, 1994

Mr. Vernon A. Williams
Acting Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) executed copies of a Master Equipment Lease Agreement, dated as of October 27, 1994, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Lessor: Pitney Bowes Credit Corporation
201 Merritt Seven
Norwalk, Connecticut 06856

Lessee: IBP, Inc.
P.O. Box 515
Dakota City, Nebraska 68731

A description of the railroad equipment covered by the enclosed document is: 75 tank cars PBFX 643000 through PBFX 643074, inclusive.

Also enclosed is a check in the amount of \$21.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

Counterparts - [Signature]

Interstate Commerce Commission
Washington, D.C. 20423

10/31/94

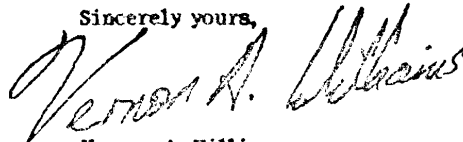
OFFICE OF THE SECRETARY

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/31/94 at 11:10AM, and assigned recordation number(s) 19036.

Sincerely yours,



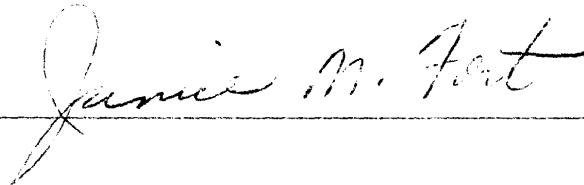
Vernon A. Williams
Secretary

Enclosure(s)

(0100419037)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



19036

OCT 31 1994

MASTER EQUIPMENT LEASE AGREEMENT

Dated as of October 27 , 1994

Between

Pitney Bowes Credit Corporation

LESSOR

and

IBP, inc.

LESSEE

Filed and Recorded with the
Interstate Commerce Commission
on _____, at
_____ and given
Recordation No. _____

MASTER EQUIPMENT LEASE AGREEMENT

Lease Agreement No. 7743180 made this 27th day of October, 1994, between PITNEY BOWES CREDIT CORPORATION ("Lessor") with a place of business located at 201 Merritt Seven, Norwalk, Connecticut 06856-5151 and IBP, inc. ("Lessee") having its principal place of business located at IBP Avenue; Post Office Box 515; Dakota City, Nebraska.

1. LEASE AGREEMENT: Lessor hereby leases to Lessee and Lessee hereby rents from Lessor all the machinery, equipment and other personal property ("Equipment") as described in the attached Equipment Lease Schedule(s) and Exhibit "A" to the Equipment Lease Schedule(s) which are or may from time to time be executed by Lessor and Lessee and hereto or incorporated herein by reference ("Schedules"), upon the terms and conditions set forth in this Lease, as supplemented by the terms and conditions set forth in the appropriate Schedule identifying such items of Equipment. All of the terms and conditions of this Lease shall govern the rights and obligations of Lessor and Lessee except as specifically modified in writing. Whenever reference is made herein to "this Lease" it shall be deemed to include each of the various Schedules identifying all items of Equipment, all of which constitute one undivided lease of the Equipment, and the terms and conditions of which are incorporated herein by reference.

2. CONDITIONS PRECEDENT: (a) The obligation of Lessor to lease any of the Equipment to Lessee hereunder shall be subject, on or as of the acceptance date for such Equipment, to (i) Lessee's acceptance of such Equipment, as evidenced by Lessor's receipt of an acceptance certificate in form and substance acceptable to Lessor with respect thereto; (ii) Lessee's execution and delivery, at Lessee's expense, of such documents as Lessor may reasonably deem to be necessary or desirable (each in form and substance satisfactory to Lessor), including, without limitation, an opinion of Lessee's counsel, a certificate(s) of officers of Lessee, Uniform Commercial Code financing statements and other filings and publications as may be appropriate with respect to Lessor's interest in the Equipment including filings with the United States Interstate Commerce Commission; (iii) there not having occurred, in Lessor's sole judgment, since June 25, 1994, any material adverse change in the financial condition of Lessee or in Lessee's ability to perform its obligations hereunder; (iv) there having occurred no change in applicable law that would have a material adverse impact on the transactions contemplated by this Lease (unless Lessor and Lessee shall have agreed upon appropriate adjustments and indemnities to compensate for such change); and (v) Lessee's representations and warranties contained in this Lease being true and accurate as if made on and as of such date, and Lessee's having performed and complied with all of its covenants and obligations hereunder and under any purchase agreement. Lessee's execution of any Schedule shall constitute its representation and warranty that there has been no material adverse change in its business or financial condition since the date

referenced above in this Section 2.

3. TERM: The obligations under this Lease shall commence upon the written acceptance thereof by Lessor and Lessee and shall end upon full performance and observance of each and every term, condition and covenant set forth in this Lease, each Schedule hereto and any extensions thereof. The rental term of the Equipment listed in each Schedule shall commence on the date that the first Rental Payment is due and shall terminate on the last day of the term stated in such Schedule unless such Schedule has been extended or otherwise modified in writing and signed by the Lessor and Lessee. Lessor, at its option, may terminate any Schedule as to which the Equipment listed therein has not been delivered to Lessee prior to the outside commitment date specified in such Schedule.

4. RENTAL PAYMENTS: The rent for the Equipment described in each Schedule shall be due and payable on the dates set forth therein. Such rent shall be payable at the office of Lessor, 201 Merritt Seven, Norwalk, Connecticut 06856-5151 or at such office as Lessor may otherwise designate. The receipt of any check or other item on account of any Rental Payment will not be considered as payment thereof until such check or other item is honored when presented for payment.

5. DELIVERY AND INSTALLATION: Lessee will select the type, quantity and supplier of each item of Equipment designated in the appropriate Schedule and in reliance thereon such Equipment will then be ordered by Lessor from such supplier or Lessor will accept an assignment of any existing purchase order therefor satisfactory in form and substance to Lessor. Lessor shall have no liability for any delivery or failure by the supplier to fill the purchase order or meet the conditions thereof. Lessee, at its expense, will pay all transportation, packing, taxes, duties, insurance, installation, testing and other charges in connection with the delivery, installation and use of the Equipment.

6. WARRANTIES: LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING, BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS. Lessee accordingly agrees not to assert any claim whatsoever against Lessor based thereon. Lessee further agrees, regardless of cause, not to assert any claim whatsoever against Lessor for loss of anticipatory profits or consequential damages. Lessor shall have no obligation to install, erect, test, adjust, service, or maintain the Equipment. Lessee shall look to the manufacturer and/or seller for any claims related to the Equipment.

Lessor hereby acknowledges that any manufacturer's and/or seller's warranties are for the benefit of both Lessor and Lessee. So long as Lessee is not in default under this Lease, the Lessee may initiate a claim directly with any Equipment manufacturer (that the Lessor as owner would be allowed to bring) provided that the Lessor is provided with all copies of any correspondence concerning any claim filed by Lessee on a timely basis. NOTWITHSTANDING THE FOREGOING, LESSEE'S OBLIGATIONS TO PAY THE RENTALS OR OTHERWISE UNDER THIS LEASE SHALL BE AND ARE ABSOLUTE AND UNCONDITIONAL.

To the extent permitted by the manufacturer or seller, and provided Lessee is not in default under this Lease, Lessor shall make available to Lessee all manufacturer's and/or seller's warranties with respect to Equipment.

7. TITLE TO AND LOCATION OF EQUIPMENT: Title to each item of Equipment leased hereunder shall remain with the Lessor at all times and the Lessee shall have no right, title or interest therein except as expressly set forth in this Lease. Lessee, at its expense, will protect and defend Lessor's title to the Equipment and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal processes except for those created by, through, or under Lessor, or for any materialmen's, mechanics', workmen's, repairmen's, employees', or storage liens or other like liens arising in the ordinary course of business, which are not delinquent or are being contested by Lessee in good faith and with all due diligence by appropriate proceedings, so long as any lien being contested thereby shall not result in the Equipment being forfeited, seized, or sold. Lessor assumes no liability and makes no representation as to the treatment by Lessee of this Lease, the Equipment or the Rental Payments for financial statement or tax purposes.

All items of Equipment shall at all times be and remain personal property notwithstanding that any such Equipment may now or hereafter be affixed to realty. The Equipment shall be delivered to the location specified in the Schedule with respect thereto.

The Lessor shall be permitted to display notice of its ownership of the Equipment by affixing to each item of Equipment an identifying stencil or plate or any other indicia of ownership and Lessee will not alter, deface, cover or remove such ownership identification.

8. USE OF EQUIPMENT, INSPECTION AND REPORTS: Lessee may possess and use the Equipment in accordance with this Lease, provided that any such use is in conformity with all applicable laws, any insurance policies, and any warranties of the manufacturer with respect to the Equipment, and further provided that Lessee shall not use or permit the Equipment to be used to contain or transport any explosive, hazardous, toxic, dangerous or environmentally threatening waste, material or matter. Lessor shall have the right, upon reasonable prior notice to the Lessee

and during the Lessee's regular business hours, to inspect the Equipment at the premises of the Lessee or to the extent reasonable wherever the Equipment may be located. Lessor's inspection of the Equipment shall not unreasonably interfere with Lessee's use of same. Lessee shall promptly notify Lessor of all details arising out of any alleged encumbrances on the Equipment or any accident which may result in a claim against the Lessor allegedly resulting from the use or operation thereof. The Lessee will maintain or cause to be maintained all records, logs, reports, and compliance certificates relating to the care, use and maintenance of the Equipment and shall make such records available for inspection at the reasonable request from the Lessor. Lessee agrees that it will comply to Lessor's reasonable request for such records within a reasonable timeframe. In addition, the Lessee will make available (or will cause to be made available) to the Lessor such information as the Lessor shall request from time to time in order to enable the Lessor to fulfill its Federal, state, local and foreign tax return obligations and shall furnish for inspection and copying such original records or copies of available records necessary to satisfy tax audit requirements and to conduct effectively any tax contest.

Except as otherwise permitted under Section 9 hereof, Lessee shall make no additions or modifications to any item of Equipment, except those required by Lessee's normal maintenance program, without Lessor's prior written consent, such consent not to be unreasonably withheld. Lessee agrees that, if requested by Lessor, it will, prior to the return of such item of Equipment to Lessor hereunder, remove any such addition or modification and restore the Equipment to its original condition as when first accepted by Lessee.

9. OPERATING RULES AND REGULATIONS: Lessee agrees to comply with all local, state and Federal governmental laws, regulations and requirements relating to the operation and/or use of the Equipment, including the Interchange Rules and all other rules of the Association of American Railroads, Federal Railroad Administration, and the Interstate Commerce Commission or any successors thereto. In case any equipment or appliance on any Equipment shall be required to be changed or replaced, or any additional or other equipment or appliance is required to be installed on such Equipment in order to comply with such laws, regulations, requirements and rules, Lessee agrees to make such changes, additions and replacements promptly at its own expense and title thereto shall be immediately vested in Lessor.

10. FURTHER ASSURANCES: Lessee shall execute and deliver to Lessor upon Lessor's request such instruments and assurances as Lessor in the reasonable exercise of its discretion deems necessary for the confirmation or perfection of this Lease and Lessor's rights hereunder. In furtherance thereof, Lessor may file or record this Lease or a financing statement with respect thereto so as to

give notice to any interested parties. The Lessor is authorized to file a financing statement concerning the Equipment signed only by the Lessor in accordance with the Uniform Commercial Code or one signed by Lessor as Lessee's attorney in fact. Any such filing or recording shall not be deemed evidence of any intent to create a security interest under the Uniform Commercial Code. Lessor, at Lessee's expense, will cause this Lease to be filed in accordance with 49 U.S.C. Section 11303(a) with the Interstate Commerce Commission. Lessor agrees to use its best efforts to minimize these out-of-pocket costs provided Lessor's ownership or lien rights in the Equipment is not jeopardized in any way.

11. RISKS OF LOSS: All risk of loss, damage, theft or destruction to each item of Equipment shall be borne by the Lessee. No such loss, damage, theft or destruction of the Equipment, in whole or in part, shall impair the obligations of Lessee under this Lease all of which shall continue in full force and effect and Lessee, at Lessor's option, shall either (a) place the affected Equipment in good repair, condition and working order or (b) pay the Lessor the amount covering such affected Equipment set forth in Addendum "A" - Stipulated Loss Values plus all other amounts then due and payable, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss, damage, theft or destruction or (c) subject to Lessor's written consent, replace the unit of Equipment with similar equipment of equal or greater value. After compliance with the foregoing to Lessor's satisfaction and provided Lessee is not in default under this Lease, Lessee shall be subrogated to Lessor's rights with respect to any insurance policies or claims for reimbursement by others with respect to such loss, damage, theft or destruction.

12. INSURANCE:

a. General Liability and Property Damage Insurance. Lessee represents and warrants that it will maintain in effect at its own expense (i) comprehensive general liability insurance, including death, bodily injury and property damage, in an amount not less than \$5,000,000.00 combined single limit coverage in the aggregate and (ii) such other property damage insurance (exclusive of manufacturer's product liability insurance) with respect to the Equipment as is of the type and in the amount as specified in each Schedule. All insurance provided for in this Section shall be effected with insurance companies satisfactory to Lessor and similar to those insurers who customarily provide public liability insurance to Lessee's industry.

b. Insurance Against Loss or Damage to Equipment. Lessee represents and warrants that it will provide all-risk insurance covering the Equipment including fire and explosion, and lightning and electrical damage, provided that such insurance shall at all times while the Equipment is

subject to this Lease be in an amount which, when paid, will be not less than the Stipulated Loss Value of the Equipment from time to time and shall permit deductibles not to exceed \$250,000.00.

c. Loss Payee, Additional Insured; Notice. Any policies of insurance carried in accordance with this Section will name Lessor as "Additional Insured" with respect to liability coverages and "Loss Payee" with respect to all-risk insurance covering the Equipment. Lessee shall furnish certificates to Lessor as proof of such insurance and shall provide for at least thirty (30) days written notice of cancellation to Lessor.

13. EXPENSES, FEES AND TAXES: In addition to the Rental Payments, Lessee shall pay promptly when due, all costs, expenses, fees, charges and taxes (including sales, use, excise, personal property, ad valorem, documentary, gross receipts, stamp, income withholding and other taxes), all of the foregoing being herein collectively called "Impositions" incurred in connection with the titling, licensing, registration, use, rental, shipment, transportation, delivery, purchase, ownership or operation of the Equipment, and on or relating to this Lease and any Schedule. In case any report or return is required to be filed with respect to any taxes, Lessee will, to the extent legally permissible, file such report or return or notify Lessor in writing to the extent Lessor must file such report or return in sufficient time for Lessor to make such filing of the required report or return. All reports and returns filed by Lessee will be in Lessee's name and account number and will show Lessor as owner of the Equipment. To the extent reasonably requested by Lessor, Lessee will promptly supply Lessor a copy of such reports or returns. Lessee shall promptly reimburse Lessor for any taxes charged to or assessed against Lessor, except for taxes based on or measured by the net income of Lessor that are imposed by (1) the United States of America or (2) any State of the United States of America or any political subdivision of any such state in which Lessor is subject to Impositions as the result of business or transactions unrelated to this Lease.

If Lessee should fail to pay any of the costs, expenses, fees, charges and taxes for which Lessee is liable hereunder, Lessor may, but shall not be required to, pay the same for the account of Lessee. Lessee shall reimburse Lessor, upon demand, as additional rental hereunder, for the full amount of any costs, expenses, taxes or other charges paid by Lessor which constitute an obligation of Lessee hereunder.

14. LESSOR'S PERFORMANCE OF LESSEE'S OBLIGATIONS: If Lessee shall fail to duly and promptly perform any of its obligations under this Lease with respect to the Equipment, Lessor may (at its option) perform any act or make any payment which Lessor deems

necessary for the maintenance and preservation of the Equipment and Lessor's title thereto, including payments for satisfaction of liens, repairs, taxes, levies and insurance and all sums so paid or incurred by Lessor, together with interest as provided below, and any reasonable legal fees incurred by Lessor in connection therewith shall be additional rent under this Lease and payable by Lessee to Lessor on demand. The performance of any act or payment by Lessor as aforesaid shall not be deemed a waiver or release of any obligation or default on the part of the Lessee.

15. LATE CHARGES: Should Lessee fail to duly pay any part of any Rental Payment or other sum to be paid to Lessor under this Lease, then Lessee shall pay interest on such delinquent payment from the due date until paid at a per annum rate of 2% plus the Chase Manhattan Bank, N.A. Prime Rate, said interest rate not to exceed the highest legal contract rate of interest.

16. INDEMNIFICATION: Except for any loss caused by Lessor's gross negligence or wilful misconduct, Lessee assumes liability for, and hereby agrees to indemnify, protect and keep harmless Lessor, its agents, employees, officers, directors, successors and assigns from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable attorney's fees, of whatsoever kind and nature, arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by Lessee or Lessor), operation, ownership, selection, delivery, leasing or return of any item of Equipment, regardless of where, how and by whom operated, or any failure on the part of Lessee to perform or comply with any conditions of this Lease. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the expiration or other termination of this Lease. Lessee is an independent contractor and nothing contained in this Lease shall authorize Lessee or any other person to operate any item of Equipment so as to incur or impose any liability or obligation for or on behalf of Lessor.

17. NO OFFSET: This Lease is a net lease and all Rental Payments shall be paid when due by Lessee irrespective of any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, the supplier of the Equipment, or any other party.

18. LESSEE'S LEASE OPTIONS: Provided that Lessee is not in default hereunder, Lessee shall have the following options concerning the final disposition of this Lease:

- (a) Election of Purchase Option-End of Term: The Lessee shall have the right to purchase the Equipment ("Purchase Option") at the lease expiration date ("Expiration Date") at a price equal to 65% (sixty-five percent) of the Lessor's

capitalized cost plus any taxes and/or expenses resulting from Lessee's purchase of Equipment ("Purchase Option Price") plus all other amounts then due and owing under the Lease. Lessee shall give Lessor written notice not later than two hundred and seventy (270) days prior to the Expiration Date of this Lease of its election to exercise the purchase option or one hundred and eighty (180) days notice prior to the Expiration Date of its intent to return the Equipment to Lessor.

Payment of the Purchase Option Price plus all other amounts then due and owing (if any) under the Lease shall be made at Lessor's address in immediately available United States funds against delivery of a bill of sale transferring and assigning to Lessee or Lessee's designee, without recourse, all right, title and interest of Lessor in and to the Equipment. The Lessor shall not be required to make any representation or warranty as to the condition of the Equipment or other matters.

(b) Election not to Purchase Equipment-End of Term: In the event Lessee does not exercise its Purchase Option, Lessee shall return the Equipment to Lessor on the Expiration Date and as specified in Paragraph 23 below and pay to the order of Lessor an amount equal to twenty three percent (23%) of Lessor's capitalized cost of the Equipment (the "Lessee's Limit") on the Expiration Date and Lessor shall, for a period of thirty (30) days after the Expiration Date (the "Sale Period"), solicit bids for the purchase of the Equipment. During the Sale Period, upon receipt of the purchase price plus applicable sales taxes, if any ("Sale Funds"), from the highest bidder. (Lessor will be under no obligation to accept any bid or to sell the Equipment for any amount under 42% of Lessor's capitalized cost of the Equipment.) Upon receipt of Sale Funds, Lessor, if requested to do so, agrees to execute a Bill of Sale transferring title to the Equipment to such bidder "AS IS, WHERE IS", WITHOUT RECOURSE OR WARRANTY OF ANY KIND, except Lessor will warrant that title is clear of any liens or encumbrances created by Lessor.

In the event the Equipment is sold during the Sale Period for a price in excess of 42% of the Lessor's capitalized cost of the Equipment and to the extent the Lessee's Limit has been previously paid, Lessee shall be entitled to the amount by which the Sale Funds received by Lessor exceeds such 42% of Lessor's capitalized cost of the Equipment. In the event that the Sale Funds are equal to or less than 42% of the Lessor's capitalized cost of the Equipment, Lessor shall be entitled to the entire amount of Lessee's Limit. To the extent that the Sale Funds received are less than 42% of the Lessor's capitalized cost of the Equipment, the maximum obligation of Lessee as a deficiency shall be the Lessee's

Limit.

In the event the Equipment is sold after the Sale Period in which Lessor receives the Sale Funds in excess of 42% of the Lessor's capitalized cost of the Equipment, Lessor will rebate to Lessee the amount of the excess Sale Funds.

In the event of Default by Lessee under this Lease, Lessee will return all Equipment to Lessor subject to the provisions in this Section and Section 23 of the Lease.

(c) Early Buyout Option: Lessee may terminate this Lease ("Early Buyout Option") on such Effective Date and purchase all, but not less than all, of the Equipment prior to the Expiration Date provided that (a) Lessee gives Lessor at least ninety (90) days prior written notice of its intent to exercise its Early Buyout Option on such Effective Date, (b) Lessee pays Lessor on or before such Effective Date the "Early Buyout Amount" specified for such date as set forth in Addendum B, (c) Lessee pays all Rent and other sums due and payable to Lessor under this Lease through such Effective Date on or before such Effective Date.

19. RENEWAL: Renewal Rentals are not permitted with this Lease.

20. ASSIGNMENT BY LESSEE: Without Lessor's prior written consent (whose consent will not be unreasonably withheld), Lessee may not, by operation of law or otherwise, (a) assign, transfer, pledge, hypothecate or otherwise dispose of this Lease or any interest therein or (b) sublet or lend the Equipment or permit same to be used by anyone other than Lessee, Lessee's employees or Lessee's wholly-owned Subsidiaries, provided, however, that Lessee may trip lease the Equipment to its customers in the normal course of Lessee's business. Irrespective of any permitted sublease or trip lease, Lessee agrees to remain primarily liable to Lessor under all terms and conditions of this Lease.

21. ASSIGNMENT BY LESSOR: For the purpose of providing funds for financing the purchase of the Equipment, or for any other purpose, Lessee agrees (a) that Lessor may assign, sell or encumber all or any other part of this Lease, the Equipment and the Rental Payments hereunder and (b) in the event of any such assignment of Rental Payments hereunder and written notice thereof to Lessee, to unconditionally pay directly to any such assignee all rentals and other sums due or to become due under this Lease and (c) that the Equipment leased hereunder may be mortgaged by Lessor under a chattel mortgage. In any such event, the right, title and interest of the mortgagee under any such chattel mortgage shall by the express terms of such chattel mortgage be subject to the leasehold interest of Lessee in and to the Equipment hereunder. Should Lessor assign, sell or encumber all or any part of this Lease,

Lessor's successor in interest shall agree that (i) the provisions of this Lease will remain unaltered and (ii) it will abide by the conditions of this Lease. Lessee's Purchase Option provisions as well as Tax Benefits as stated in this Lease will survive unaltered as if PBCC were still Lessor of this Lease. Furthermore, Lessee shall not be responsible for any misdirected monthly rental payment made pursuant to Lessor's directions. THE RIGHTS OF ANY SUCH ASSIGNEE SHALL NOT BE SUBJECT TO ANY DEFENSE, COUNTERCLAIM OR SET OFF WHICH LESSEE MAY HAVE AGAINST THE LESSOR.

22. MAINTENANCE AND REPAIRS: Lessee, at all times and at its own expense, shall maintain and service the Equipment, or cause the Equipment to be maintained and serviced, in good repair and operating condition, ordinary wear and tear from normal and proper use thereof alone excepted, so that the Equipment shall at all times comply with the applicable Interchange standards set for such Equipment by the Association of American Railroads ("AAR"), or any successors thereto, and be and remain in good operating order and repair by industry standards and fit for the purposes for which the Equipment was designed. In any event, the Equipment shall at all times satisfy the criteria below:

a. All damaged or broken parts will be repaired promptly according to AAR specifications and procedures;

b. Exterior sides will be free of rust and corrosion and will be painted according to a standard paint scheme, free of any and all advertising and notices other than receiving numbers and Lessee's corporate identification;

c. The Equipment will conform at all times to the operating regulations of the United States Department of Transportation, AAR, Federal Railroad Administration (FRA), or their successors, or those of any other government agency having jurisdiction over the use and operation of the Equipment; and

d. The Equipment shall, at all times, be maintained in compliance with the original manufacturer's recommended maintenance procedures and policies. In any event, Lessee shall maintain the Equipment or cause the Equipment to be maintained on the same scheduling basis that Lessee employs for similar equipment, whether owned or leased.

23. RETURN OF EQUIPMENT: If Lessee does not exercise its Purchase Option or Early Buyout Option as referenced in Sections 18(a) and 18(c), respectively, Lessee, at its expense, hereby agrees to: i) insure and deliver all but not less than all of the Equipment to Lessor at such location or locations in the continental United States as may be designated by Lessor in writing, for such disposition; or ii) if Lessee and Lessor mutually agree, furnish or arrange for the transport and storage of such Equipment in a secure and controlled environment on Lessee's premises until

such Equipment has been sold, leased or otherwise disposed of by Lessor, such period not to exceed one hundred and eighty (180) days. All movement to and storage of each item of Equipment at Lessee's premises is to be at the risk and expense of Lessee. At any time during such one hundred and eighty (180) day period, Lessee shall cause such Equipment to be transported to such Interchange point or points as shall be designated by Lessor in writing upon any sale, lease or other disposition of all or any of such Equipment. All movement outside of Lessee's premises is to be at the risk and expense of Lessor.

All Equipment so delivered by Lessee to Lessor shall be returned to the designated location(s) in the same condition as when first accepted by Lessee, ordinary wear and tear resulting from the normal and proper use thereof alone excepted, free of any special advertising, lettering or other marking, cleansed (interior and exterior) of any silt, sludge or other debris and otherwise in the condition in which it is required to be maintained hereunder.

Lessor or its representatives will inspect the Equipment to verify that the units have been returned in compliance with the terms and conditions hereunder. Additional wear and tear beyond the extent permitted herein shall be deemed excessive wear and tear and Lessee, at its option, shall be responsible to either promptly make such repairs as are required to correct excessive wear and tear, or to forward the affected items of Equipment to a repair facility, which facility shall have been previously approved in writing by Lessor, for such repairs and pay costs of such repairs at the then current market prices. Until such Equipment is returned to Lessor in proper condition, Lessee shall pay rent therefor at the then prevailing rate applicable under this Lease.

24. EVENTS OF DEFAULT: Lessee shall be in default under this Lease upon the happening of any of the following events or conditions ("Events of Default"):

(a) Default by Lessee in payment of any installment of rent or any other indebtedness or obligation now or hereafter owed by Lessee to Lessor under this Lease or otherwise and the continuance of such default for ten (10) consecutive days; or (b) Lessee shall fail to keep in full force and effect insurance required under this Lease; or (c) default in the performance of any other obligation, covenant or liability contained in this Lease or any other agreement or document with Lessor, and the continuance of such default for ten (10) consecutive days after written notice thereof by Lessor to Lessee; or (d) any material warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished; or (e) loss, theft, damage, destruction, or the attempted sale or encumbrance by Lessee of any of the Equipment, or the making of any levy, seizure or attachment thereof or thereon (with the exception provided in Section 7); or (f) dissolution, termination of

existence, discontinuance of its business, insolvency, business failure, or appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by Lessee or the commencement of any proceedings under any voluntary bankruptcy, reorganization or arrangement laws by or against Lessee; or (g) the institution of any involuntary bankruptcy proceedings against Lessee or the appointment of a receiver without Lessee's consent, and such proceedings or appointment continues and is ongoing for a period of sixty (60) days; or (h) Lessee shall use or permit the Equipment to be used to contain or transport any hazardous, toxic, dangerous or environmentally threatening waste, material or matter.

25. REMEDIES OF LESSOR: Upon the occurrence of any Event of Default and at any time thereafter (subject to any applicable grace provisions), Lessor may without any further notice exercise one or more of the following remedies as Lessor in its sole discretion shall elect: (a) declare all unpaid rentals due under this Lease, together with per diem rent from the date of the last regular rental installment to the date of such declaration, to be immediately due and payable; (b) terminate this Lease as to any or all items of Equipment; (c) take possession of the Equipment wherever found without any liability or suit, action or other proceeding by the Lessee and remove the same; (d) cause Lessee at its expense to promptly return the Equipment to Lessor and in the condition set forth in Section 23; (e) use, hold, sell, lease or otherwise dispose of the Equipment or any item thereof without affecting the obligations of Lessee as provided in this Lease; (f) sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than ten (10) days prior to the date thereof shall constitute reasonable notice thereof to Lessee; (g) proceed by appropriate action either by law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; (h) exercise any and all rights accruing to a Lessor under any applicable law upon a default by a Lessee. In addition, Lessor shall be entitled to recover immediately as liquidated damages for loss of a bargain and not as a penalty an amount equal to the Stipulated Loss Value for Equipment (as set forth in Addendum "A" for the applicable Schedule) on the date of Lessor declaring this Lease in default, together with interest as provided herein. After default at the request of Lessor and to the extent requested by Lessor, Lessee shall comply with the provisions of Section 23 of this Lease. Lessor may, but shall not be required to, sell Equipment at private or public sale, in bulk or in parcels, with or without notice, without having the Equipment present at the place of sale; or Lessor may, but shall not be required to, lease, otherwise dispose of or keep idle all or part of the Equipment; and Lessor may use Lessee's premises for any or all of the foregoing without liability for rent, costs, damages or

otherwise. The proceeds of sale, lease or other disposition, if any, shall be applied (1) to all Lessor's costs, charges and expenses incurred in enforcing this Lease and in taking, removing, holding, repairing and selling, leasing or otherwise disposing of Equipment; then, (2) to the extent not previously paid by Lessee, to pay Lessor the Stipulated Loss Value for Equipment and all other sums, including any unpaid rent and any indemnification then remaining unpaid thereon; then (3) to reimburse to Lessee any Stipulated Loss Value previously paid directly by Lessee to Lessor as liquidated damages; (4) any surplus shall be retained by Lessor; Lessee shall pay any deficiency in (1) and (2) forthwith. In no event shall Lessor be obligated to sell, lease or otherwise dispose of any item of repossessed Equipment. None of the remedies under this Lease are intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor in law or in equity. Any repossession or subsequent sale or lease by Lessor of any item of Equipment shall not bar an action for a deficiency as herein provided, and the bringing of an action or the entry of judgment against the Lessee shall not bar the Lessor's right to repossess any or all items of Equipment. Lessee agrees to pay all costs and expenses of Lessor, including reasonable attorneys' fees, incurred with respect to the collection of any amounts payable hereunder and the enforcement of any of the provisions hereof, whether or not an action at law is commenced with respect hereto. *gms*

In the event of a default
26. SEVERABILITY: Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition and unenforceable without invalidating the remaining provisions hereof. To the extent permitted by applicable law, Lessee hereby waives any provision of law which prohibits or renders unenforceable any provisions hereof in any respect.

27. NOTICES: Any notice or other communication given under this Lease shall be sent to the following addresses or to such other address as either of the parties hereto may designate in writing to the other from time to time:

LESSOR:
Pitney Bowes Credit Corporation
201 Merritt Seven
Norwalk, CT 06856-5151
ATTN: Vice President, Operations

LESSEE:
IBP, Inc.
IBP Avenue
Post Office Box 515
Mail Drop 52A
Dakota City, NE 68731
ATTN: Mgr, Treasury Svcs

Any such notice or other communication shall, if not actually delivered prior thereto, be deemed to have been delivered three (3) business days after the date when it shall have been mailed by

registered or certified mail, all charges prepaid.

28. AMENDMENTS AND WAIVERS: This instrument and the Schedules executed by Lessor and Lessee constitute the entire agreement between Lessor and Lessee with respect to the Equipment and the subject matter of this Lease. No term or provision of this Lease may be changed, waived, amended or terminated except by a written agreement signed by both Lessor and Lessee, except that Lessor may insert the serial number of any item of Equipment on the appropriate Schedule after delivery thereof. No express or implied waiver by Lessor of any Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default whether similar in kind or otherwise.

29. CONSTRUCTION: This Lease shall in all respects be governed by and construed in accordance with the laws of the State of New York. The titles of the sections of this Lease are for convenience only and shall not define or limit any of the terms or provisions hereof. Time is of the essence of this Lease in each of its provisions.

30. PARTIES: The provisions of this Lease shall be binding upon, and inure to the benefit of, the assigns, representatives and successors of the Lessor and Lessee. If there is more than one Lessee named in this Lease, the liability of each shall be joint and several.

31. LESSEE'S QUIET ENJOYMENT: So long as Lessee shall pay and perform all of its obligations and covenants hereunder, Lessor shall not disturb its quiet enjoyment and use of the Equipment for its intended purposes. By acceptance of any assignment of this Lease, any assignee hereof agrees, with and for the benefit of Lessee, that as long as Lessee shall perform all of its obligations and covenants hereunder, Lessee's quiet enjoyment and use of the Equipment for its intended purposes shall not be disturbed by such assignee or any party lawfully claiming by, through or under such assignee.

32. TAX BENEFITS: Lessor and Lessee agree that the intent of the transaction contemplated thereto is that Lessee be the owner of the Equipment for tax purposes. Lessor confirms that it does not intend to and will not claim any depreciation deductions or other deductions or credits with respect to the Equipment under the Internal Revenue Code of 1986, as amended or any state tax laws. Neither Lessor nor Lessee make any representation or warranty and both hereby disclaim any representation or warranty as to the availability of any deductions or credits to Lessor or Lessee or any other party or as to the tax or accounting treatment to be accorded to the transactions contemplated hereby. Nevertheless, if the Lease is finally determined by applicable taxing authorities to be a lease of the Equipment for income tax purposes and Lessee is denied any tax benefits of ownership, then at the written request

of Lessee, Lessor agrees to amend its tax returns (and to so report on future tax returns) to the extent possible to claim such tax benefits as owner of the Equipment and to pay to Lessee as a reduction in rent, any resulting increase in its after tax yield. The parties agree that in computing any such change in its yield: (a) Lessor will not be required to pay any such amount of extent that it is not able to utilize the tax benefits to reduce its federal income tax liability but Lessor will actively pursue assignment of this Lease if the Lessor is not able to utilize the tax benefits to reduce its federal income tax liability; (b) that the Lessor shall file such amended return within a reasonable time after such final determination by the taxing authority and shall make any such payment required by this provision promptly after receipt by it of the tax refund or benefit, provided however, that if Lessor's tax is finally determined by applicable taxing authorities to be different than that used to determine whether a payment is made under this Section and such final determination results in a different change to after tax yield to Lessor than that originally paid to Lessee hereunder, the difference shall be paid by Lessor or Lessee to the other, as the case may be.

33. GRANT OF SECURITY INTEREST: Lessor and Lessee acknowledge that this Lease is a lease intended as security under the Uniform Commercial Code. Accordingly, as collateral security for the prompt and complete payment and performance when due of all the obligations of Lessee hereunder, and in order to induce Lessor to enter into this Lease, Lessee hereby assigns, pledges, transfers, conveys, and hypothecates to Lessor, a continuing first priority security interest in and to, all of its present and future rights, title and interest in, to and under each item of Equipment and all additions, attachments and accessories thereto and any and all replacements or substitutions therefor, and all proceeds of the foregoing (including insurance proceeds).

34. REPRESENTATIONS AND WARRANTIES OF LESSEE: Lessee hereby represents, warrants and covenants that, with respect to this Lease and any related documents: (a) the execution, delivery and performance thereof by Lessee have been duly authorized by all necessary corporate action; (b) the individual executing such documents is duly authorized to do so; (c) the Lease and any related documents constitute legal, valid and binding agreements of Lessee enforceable in accordance with their respective terms; (d) Lessee need not obtain the consent or approval of any party in order to enter into this Lease or to perform Lessee's obligations hereunder; (e) Lessee is in good standing in the state of its incorporation and is qualified to do business in each state where it has material operations therein; (f) any and all financial statements or other information with respect to the Lessee supplied to Lessor in connection with this Lease and the transactions contemplated hereby are true and complete.


35. SPECIAL COVENANTS:

(a) Lessee will furnish to Lessor (i) as soon as available, but in any event not later than 120 days after the end of each fiscal year of Lessee, a 10K report or a consolidated balance sheet of Lessee as at the end of such fiscal year, and consolidated statements of income and changes in financial position of Lessee for such fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and audited by certified public accountants acceptable to Lessor; (ii) as soon as available, but in any event not later than 90 days after the end of each of the first three quarterly periods of each fiscal year of Lessee, a 10Q report or a consolidated balance sheet of Lessee as at the end of such quarterly period and a consolidated statement of income of Lessee for such quarterly period and for the portion of the fiscal year then ended, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved; and (iii) promptly, such additional financial and other information as Lessor may from time to time reasonably request.

LESSEE HEREBY ACKNOWLEDGES RECEIPT OF AN EXECUTED AND TRUE COPY OF THIS LEASE AND THAT IT IS NON-CANCELABLE FOR THE ORIGINAL RENTAL TERM EXCEPT AS PROVIDED FOR IN SECTION 18 - "EARLY BUYOUT" AS CONTAINED HEREIN.

IN WITNESS WHEREOF, the Lessor and Lessee have each caused this Lease to be duly executed.

LESSOR:
PITNEY BOWES CREDIT CORPORATION

By: 
MICHAEL J. LEYH
Title: Vice President
Credit/Operations
Date: 10/28/94

LESSEE:
IBP, INC.

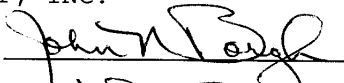
By:  *9/11/94*
Title: J.P. + Treasurer
Date: 10/27/94

EXHIBIT A

Equipment List to Master Equipment Lease Agreement No. 7743180 dated as of
October 27, 1994 between Pitney Bowes Credit Corporation, Lessor, and
IBP, inc., Lessee.

Seventy Five (75) New Union 25,320 Gallon Tank Cars, Dot 111A100W1
Registration Numbers: PBFX 643000 through and including PBFX 643074

CORPORATE FORM OF ACKNOWLEDGEMENT

State of Nebraska)
) SS:
County of Dakota)

On this 27 day of October, 1994, before me personally appeared JOHN BOBGETT, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT / TREASURER of IBP, inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Bruce M. Smith
Signature of Notary Public


My commission expires 11-23-97



CORPORATE FORM OF ACKNOWLEDGEMENT

State of Connecticut)
) SS:
County of Fairfield)

On this 28th day of October, 1994, before me personally appeared Micheal J. Leyh, to me personally known, who being by me duly sworn, says that he is the Vice-President, Credit/Operations of Pitney Bowes Credit Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Signature of Notary Public

RITA CONLIN
NOTARY PUBLIC
MY COMMISSION EXPIRES OCT. 31, 1999

My commission expires _____

Seal